

**CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE  
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**Developments in the Soviet Party Congress**

**1. Continuation of Malenkov's report for the Central Committee of the Communist Party:**

1. **Industry:** In his analysis of the growth of the national economy, Malenkov broke a long standing precedent by quoting 1952 production figures for several basic industries as well as percentage increases for other industrial output. Citing the overall rise in production since 1940, with special stress on the increases in heavy industry, he characterized the period as one of smooth development as a result of better technical equipment and creative advancements in Soviet science. The most important scientific advancement, he stated, was the development of atomic energy in the USSR, which eliminated the US monopoly, and opened up a new era of peaceful utilization for technical development in the national economy. Malenkov then went on to enumerate the customary shortcomings of Soviet industry which must be eliminated.

**Comment:** Soviet industrial development is substantially aided by satellite industry which delivers in some cases as much as half of its production to the USSR. There is no evidence that the Soviet Union is utilizing atomic energy for industrial purposes. The enumerated list of deficiencies in Soviet industry are mostly administrative in character and include the practice of falsification of reports by some plants.

**Party Affairs:** In his discussion on party affairs Malenkov indicated that membership in the communist party had increased at least fivefold since the 15th Party Congress. This rapid increase, he affirmed, had emphasized quantity at the expense of quality, and resulted in bad organization, and imperfectly trained leadership. As the major task facing the party today, Malenkov cited the necessity for improving these shortcomings through limiting membership drastically, encouraging criticism and self-criticism, especially from the party and non-party masses, and improving the ideological and cultural level of the leading cadres. Malenkov emphasized the

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was one discipline for both rank and file and leaders, and proclaimed that stronger controls and verification methods were a major task of the party.

Comment: Malenkov's extremely critical remarks concerning party leadership and complacency and his reiterated emphasis upon criticism from below, the necessity for stronger controls, and the existence of a single standard for all party members is reminiscent of Zhdanov's pronouncements in 1946. This does not suggest a purge of Party leadership, but rather a continually increasing pressure on Party members to conform with the increased standards set by the new Party statutes.

While Party membership has increased five-fold since 1939, it has been almost stationary since 1946, indicating that they had already been limiting membership in an attempt to raise the ideological level of the party as a whole, but are still dissatisfied with the results.

- C. Agriculture: Malenkov depicted the postwar amalgamation of small collective farms as being of great importance for the further development of agricultural production. However, Soviet leaders failed to realize the primary purpose of this policy, with the result that excessive attention was paid to the welfare of the collective farmers at the expense of immediate production tasks. Turning to an estimate of crop production, Malenkov announced that the grain problem had been finally and irrevocably solved, and at the same time Soviet agriculture succeeded in making great advances in the production of other crops. After attacking those who squander and misappropriate public property, he suggested that in the future, collective farm profits should be paid to members in direct proportion to the amount of their actual production.

Comment: This proposal would result in a revision in the method of payment to collective farm workers by offering greater incentive to those who expect greater effort.

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Conclusion: Quoting extensively from Stalin's not "classic" article "On the Economic Problems of the USSR", Malenkov, in his conclusion, reiterated the major points which Stalin had made concerning the necessary steps in the transition from socialism to communism. As Stalin did, he stated that communism would not be achieved until there had been a steady growth of the economy of the Soviet bloc, primarily in heavy industry, gradual transformation of collective farms to state farms, and an extension and increase of educational opportunities.

Comment: In the statements of both Stalin and Malenkov it would appear that communism will be achieved only gradually and in the indefinite future.

**2. Accounting Report of the Central Committee Auditing Commission of the All-Union Communist Party by P. G. Moskatov.**

- A. Moskatov defines the duties of the Auditing Commission which "systematically reviews the financial economy of the Party, the smooth working of the apparatus and also the current treatment of documents, letters, statements and complaints in central establishments of our party."**
- B. The income of the Party has increased 2.6 times (no figures given) in 1951 as compared with 1939. Income is made up of "membership fees, incomes from Party editorial boards, etc." Increase resulted from growth of membership (5 times according to Malenkov for same period) and growth of wages. (Party dues are paid on percentage of wages)**
- C. Revenue from publishing increased 6 times in 1952 compared with 1940. They compose 12% of the total.**
- D. Expenditures: The largest item, 91% in 1952, is the expense of "satisfying the needs of local Party organizations". The 9% which covers expenditures for central organizations is used for training cadres. In 1931-32 this amount was 20% (sic). Over 35,000 people are being trained in the Party's educational establishments. Over 400,000 propagandists have received refresher courses. Considerable sums are spent on local libraries.**
- E. "Most leading Party organs are correctly managing the Party's financial economy and are strictly adhering to budget discipline."**
- F. During the period 1939-1952 a reduction of the Party machinery took place on several occasions. In spite of the great numerical increase in Party membership, the staffs of the Party machine have been maintained at the 1939 level and even been reduced to a certain extent.**
- G. Measures have been taken to improve the control over the reception and treatment of letters - great work with letters, suggestions and complaints from workers is also done by the leading organs of the local Party organizations.**